



## Strategic Goal 4: Weapons of Mass Destruction

Reduce the Threat of Weapons of Mass Destruction to the United States, Our Allies, and Our Friends

### I. Public Benefit

Weapons of mass destruction (WMD) including nuclear, chemical, biological and radiological weapons and their delivery systems threaten our territory and citizens, our armed forces, our national interests, and our allies and friends overseas - especially if such weapons ever find their way into the hands of terrorists. The Department combats this threat by working with other countries to fight WMD and missile proliferation, to defend against WMD attack, and to deny them to terrorist groups and outlaw states. The Department's efforts further the safety and security of the United States and its friends and allies by lowering the risk of conflict; minimizing the destruction caused by an attack or conflict; denying outlaw state and terrorist access to such indiscriminate weapons and the expertise necessary to develop them; and preventing potentially devastating WMD-related accidents.

The Department is committed to reducing the WMD and missile threat through agreements to reduce current nuclear weapons stockpiles; cooperative efforts to develop missile defenses as appropriate; strengthening compliance with and implementation of nonproliferation treaties and commitments; and active efforts to improve and enforce export controls and prohibit illicit WMD trafficking. The Department leads the U.S. Government in shaping and executing international strategies to ensure such weapons do not fall into the hands of terrorists, eliminate threats remaining from the Cold War's WMD legacy, enhance controls on biological agents and toxins, especially in the area of national controls; and to redirect Iraq's former WMD scientists and help Libya eliminate its WMD programs. To ensure the United States Government's WMD strategies are both robust and effective, the Department integrates verification into arms control, nonproliferation, and disarmament negotiations, treaties, agreements, and commitments and works to ensure that compliance is rigorous and enforced. WMD and missile proliferation, especially in troubled regions, exacerbates regional instability and its associated negative political, economic and social consequences, most especially the danger that terrorists might acquire WMD and delivery systems. The Department is on the leading edge in responding to these challenges.

In July 2005, the Department decided to reorganize the three nonproliferation and arms control bureaus in order to focus more specifically, and with greater resources, on what the President has described as our preeminent threat - the threat from WMD, whether in the hands of hostile states or terrorists. The Arms Control and Nonproliferation Bureaus were merged into a new Bureau of International Security and Nonproliferation (ISN), which includes offices on WMD Terrorism and Counterproliferation Initiatives. Some of the Arms Control Bureau's offices, including those dealing with missile defense and national security space policy and the strategic relationship with Russia, were transferred to the Verification and Compliance Bureau, whose name has been changed to the Bureau on Verification, Compliance and Implementation (VCI). The final phase of this reorganization is still underway in January 2006; this Plan therefore does not fully reflect the alterations and changed missions resulting from the reorganization.

### II. Resource Summary (\$ in Thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	Change from FY 2006	
				Amount	%
Staff <sup>1</sup>	516	508	512	4	0.9%
Funds <sup>2</sup>	\$568,279	\$426,712	\$483,956	\$57,244	13.4%

Note (1): Department of State direct-funded positions.

Note (2): Funds include both Department of State Appropriations Act Resources and Foreign Operations Resources, where applicable.



### III. Strategic Goal Context

Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Weapons of Mass Destruction strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/Program	Major Resources	Lead Bureau(s)	Partners
Weapons of Mass Destruction	Bilateral Measures	Enhance Barriers to WMD Procurement Through Counter-proliferation Initiatives	NADR, D&CP, CIO	ISN	EAP, NEA, Regional Bureaus, IO, S/CT, VCI, DoD, DoE, JCS, DOC, NSC, IC, UNSC, IAEA, KEDO, Congress, NATO, EU, G-8.
		Nonproliferation and Disarmament Fund	NADR, D&CP	ISN	VCI, PM, S/CT, INR, Regional Bureaus, DOE, DHS, DOD, Commerce, DOJ, NSC, OMB, national laboratories, intelligence community, foreign governments, foreign NGOs, private sector contractors, Congress.
		Export Controls	D&CP, CIO, NADR	ISN	Regional Bureaus, EB, INR, PM, IO, S/CT, VCI, DOE, NRC, DoC, US customs, Intelligence community, EU.
		Nonproliferation of WMD Expertise	NADR, D&CP, CIO, Science Center, Bio-Chem Redirect	ISN	Regional Bureaus, EB, INR, PM, IO, S/CT, VCI, intelligence community, UN Security Council, NATO allies, Russia, Iraq IGC, EU, Academia, Congress and private sector.
		Build and Enhance Special Bilateral Relationships	D&CP, FSA	VCI	T, EUR, ISN, S/P, L, DoD, NSC, Intelligence community, NATO.
	Multilateral Agreements and Nuclear Safety	Safeguard Materials and Expertise of Concern	D&CP, CIO, FSA	ISN	IO, VCI, Regional Bureaus, DOE, NRC, DOD, Commerce, NSC, USAID, Treasury and the EPA; Adherents to the NPT; IAEA; the UN; Relevant non-governmental organizations; U.S. nuclear industry.
		Strengthen Global Constraints on WMD	D&CP, NADR, CIO, FSA	ISN	VCI, IO, ISN, Regional Bureaus, DoD, DoC, DHS, DoJ, DoE, DHHS, Intelligence Community, NSC
		Optimize Multilateral Nonproliferation Relationships	D&CP, CIO, FSA	ISN	USG, DOE, G8 and NRC, Regional Bureaus, IO, OVP, NSC, USAID, Treasury, the EPA, Other GP donor states, recipient member states




Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	Partners
	Verification and Compliance	Verification	D&CP, CIO	VCI	ISN, IO, Regional Bureaus, IC, DOE, NRC, DoD, DOC, adherents to the NPT, IAEA, UN, nongovernmental organizations, OVP, NSC, EPA, Treasury.
		Compliance Assessment and Reporting	D&CP, CIO	VCI	ISN, IO, Regional Bureaus, IC, DOE, NRC, DoD, DOC, adherents to the NPT, IAEA, UN, nongovernmental organizations, OVP, NSC, Treasury.
		Compliance Enforcement and Diplomacy	D&CP, CIO	VCI	ISN, IO, Regional Bureaus, IC, DOE, NRC, DoD, DOC, adherents to the NPT, IAEA, UN, nongovernmental organizations, U.S. nuclear industry, OVP, NSC, Treasury
		Effectiveness of International Organizations	D&CP, CIO	VCI	ISN, IO, Regional Bureaus, DOE, NRC, DoD, IAEA, UN, adherents to the NPT and CWC, nongovernmental organizations, OVP, NSC
		All Source Intelligence Collection and Technology Research and Development	D&CP	VCI	INR, IC, DoD, DOE, DHS, OSTP, TSWG, DTRA, National Labs, NSC




## IV. Performance Summary


For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2007 performance indicators and targets are shown below.

Annual Performance Goal #1	
WD.01 BILATERAL MEASURES, INCLUDING THE PROMOTION OF NEW TECHNOLOGIES, COMBAT THE PROLIFERATION OF WMD AND REDUCE STOCKPILES.	


I/P #1: Enhance Barriers to WMD Procurement Through Counter-proliferation Initiatives		
Enhance barriers to WMD procurement, delivery systems, and related technology, materials, or expertise; raise the cost of proliferation, with a view to shutting down proliferation networks, focusing initially on financial flows.		
 <b>Output Indicator</b>		
Indicator #1: Proliferation Security Initiative: International Participation and Operational Readiness is Broadened and Deepened		
TARGETS	FY 2007	Increased numbers of Interdictions/broken networks.
	FY 2006	Increased numbers of Interdictions/broken networks.
RESULTS	2005	Outreach yielded five new official endorsements, with an additional 8-10 sought in the near term. Several dozen states have participated in operational exercises (thirteen were carried out and fifteen additional are planned for 2005). Engaged three additional states for ship boarding agreements; expect conclusion of an additional 2-3 agreements before year's end.
	2004	Over 60 states participated in First Anniversary meeting in May 2004 demonstrating broad international support. Ten training exercises conducted and several in planning stages. Concluded ship boarding agreements with three of the world's largest flag registries - Liberia, Panama and the Republic of the Marshall Islands. These agreements have all entered into force. Engaged more than twenty other countries for similar agreements and initiated negotiations with several of them. Information on maritime and air legal authorities exchanged by Proliferation Security Initiative (PSI) participants. Industry conference held in Copenhagen to address container shipping issues raised by interdiction efforts.
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	This indicator reflects the core of our efforts for PSI, which is to support expansion of the initiative both in terms of obtaining global support and cooperation, and also enhanced efforts to interdiction PSI-related shipments and shut down ability of proliferation facilitators from engaging in this deadly trade.
	Data Source	Reports/communications from participating States. In actual PSI operations, cooperation from other states will be hampered by inability to share information in a timely or full manner.




 <b>Outcome Indicator</b>		
Indicator #2: Extent to Which States With Entities or Individuals Identified as Part of the A.Q. Khan Network Take Action to Eliminate the Network		
TARGETS	FY 2007	States' export control laws are satisfactory according to nonproliferation export control experts. Training continues and law enforcement action is taken as appropriate.
	FY 2006	States continue to improve export control laws, full export control training takes place, continue sustained law enforcement action as appropriate and ratify the International Atomic Energy Agency (IAEA) Additional Protocol.
RESULTS	2005	Law enforcement efforts accelerated. Court proceedings began in FY 2005.
	2004	Efforts to educate governments on A.Q. Khan network activities and achieve foreign government buy-in to shut down the network have been vastly successful. Law enforcement and related actions have been initiated across the board as well and progress continues to export controls in various countries.
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	This indicator enables us to measure the level of proliferation in target countries.
	Data Source	Data generally covers all issues and is reliable. Sometimes the ability to seek clarifying information from foreign governments is hampered by the lack of cleared language available to discuss issues in detail.

I/P #2: Nonproliferation and Disarmament Fund		
Prevent future WMD and missile threats to the U.S. and its interests by using the Nonproliferation and Disarmament Fund (NDF) to help forestall and eliminate them.		
 <b>Efficiency Indicator</b>		
Indicator #1: Ratio of Administrative Cost to Program Cost (PART)		
TARGETS	FY 2007	5.0%
	FY 2006	5.0%
RESULTS	2005	5.0%. The addition of Libya into the mix affected the original target of 4.8%
	2004	5.0%. The addition of Libya into the mix affected the original target of 4.8%
	2003	<u>Baseline</u> : 5.0%
	2002	N/A
DATA QUALITY	Indicator Validation	Data are validated by qualified observers.
	Data Source	Data are derived from the Nonproliferation and Disarmament Fund reporting, in consultation with partner U.S. government agencies, experts and foreign governments.




I/P #3: Export Controls		
Assist governments to raise their laws and regulations to international standards, improve licensing, border control and investigative capabilities.		
 <b>Output Indicator</b>		
<b>Indicator #1: Number of Countries That Have Developed and Instituted Valid Export Control Systems Meeting International Standards (PART)</b>		
<b>TARGETS</b>	<b>FY 2007</b>	Ten countries receiving Export Control and Border Security (EXBS) program assistance have export control measures in place that meet international standards.
	<b>FY 2006</b>	Eight countries' export control systems meet international standards. Three will graduate from the EXBS program in FY 2006: Latvia, Estonia and Lithuania. EXBS will work with other government agencies to initiate export control and border security capacity-building in Sri Lanka, Iraq, and Afghanistan. EXBS devotes increasing attention to countries in Asia, the Middle East, and Western Hemisphere, helping them make significant strides toward developing export control and interdiction capability.
<b>RESULTS</b>	<b>2005</b>	Graduated Bulgaria and Romania from the EXBS program. Initiated new nonproliferation export control and border security assistance programs in Philippines, Argentina, Brazil, and Libya. Serbia and Montenegro, Macedonia, India, and Pakistan revised nonproliferation export control laws to better meet international standards and continued efforts to improve border security infrastructure.
	<b>2004</b>	EXBS program countries strengthened export control systems and some, including Bulgaria, Romania, Latvia, Poland, Estonia, and Lithuania, significantly strengthened implementation. Poland, Hungary and the Czech Republic graduated from the program. The program also received independent evaluations of the export control systems of the target countries, in order to better help EXBS assess progress and target its training and enforcement activities.
	<b>2003</b>	Based on assessments and other indications of program progress and achievement, three countries (Poland, Hungary, and the Czech Republic) were slated to be graduated from the program.
	<b>2002</b>	N/A
<b>DATA QUALITY</b>	<b>Indicator Validation</b>	This measure is directly tied to our goal because graduation decisions are significantly influenced by meeting international standards as measured by independent researchers using a comprehensive assessment methodology developed by EXBS.
	<b>Data Source</b>	The Center for International Trade and Security at the University of Georgia conducts on-the-ground assessments of the export and border control systems of all EXBS countries on a bi-annual basis. This data is supplemented by monthly reporting cables from EXBS Advisors or embassy officials in the field, trip reports from training exercises, and other sources.




I/P #4: Nonproliferation of WMD Expertise		
Expand and enhance redirection programs to deter former Soviet and other nuclear, chemical and biological weapons experts from working for proliferators, terrorists or rogue states.		
 <b>Output Indicator</b>		
Indicator #1: Number of Institutes and Scientists Graduated Into Commercially Sustainable Ventures (PART)		
TARGETS	FY 2007	Graduate 2-3 or more institutes or groups of scientists from the Nonproliferation Science Center.
	FY 2006	Graduate 2-3 institutes or groups of scientists from Nonproliferation Science Center funding, and graduate one institute or group of scientists from Biological Warfare/Chemical Warfare (BW/CW) engagement program.
RESULTS	2005	<ol style="list-style-type: none"> <li>1. First-ever access obtained to formerly closed Pavlodar Chemical Plant in Kazakhstan in November 2004. First ever U.S. Government access to an additional eight bio-chem institutes in Azerbaijan. First ever Science and Technology Center in Ukraine project funding granted to an additional high-priority institute in Ukraine. Engagement of five high-priority institutes the Kyrgyz Republic.</li> <li>2. Through the Iraqi International Center for Science and Industry, engaged former WMD experts in the pursuit of technology solutions in forensics and law enforcement, which will draw Russian, Canadian and U.S. Department of Energy funds and expertise.</li> <li>3. Three bio institutes and one chemical institute graduated in 2005, one year ahead of schedule for the Bio-Chem Redirect program. That brings the cumulative total of WMD institutes graduated to commercially sustainable ventures to 22.</li> <li>4. Funded over \$2 million in new research in six countries through the Iraqi Center; nearly \$3 million in four countries through the Science and Technology Center in Ukraine. Worked with Department of Energy patents office to approve licensing by a U.S. firm of a chemical process safety computer software developed by ex-Soviet chemical weapons researchers. Russian inventors of a novel HIV vaccine began realizing royalty income under a commercial arrangement.</li> <li>5. The Iraqi International Center for Science and Industry currently provides monthly stipends to around 120 Iraqi scientists and senior technicians with WMD expertise. Twenty-three such scientists were recently "graduated" to permanent positions with the Ministry of Environment. The Iraqi Center is funding participation of Iraqi scientists in various workshops and international conferences, and reviewing approximately 100 project proposals submitted by participating Iraqis for funding consideration.</li> </ol>
	2004	Cumulative total of 18 WMD institutes graduated to commercially sustainable ventures. Focused on approximately 165 former Soviet institutes of proliferation concern of the 430 involved as lead or supporting institutes in U.S. funded research and on several hundred Iraqi and Libyan scientists and technicians.
	2003	Refined model/metrics for graduation of institutes and began collection of financial data from institutes. Cumulative total of 16 institutes graduated to commercial ventures.
	2002	<ol style="list-style-type: none"> <li>1. Engaged cumulative total of 50,000 scientists, of whom about 26,000 were former WMD scientists.</li> <li>2. Eight new U.S. industry partners recruited and eight institutes graduated to commercial ventures.</li> <li>3. Three new technological applications brought to market, including Neurok TechSoft (linear differential equation solver), a laser-based fluorocarbon detector, and new computer animation technology.</li> </ol>
DATA QUALITY	Indicator Validation	This indicator is a consistent measure of our performance, especially in programs the Department controls because the graduation of each institute removes it and the associated scientists from funding dependency.
	Data Source	The data are derived from graduation records of the various institutions.




I/P #5: Build and Enhance Special Bilateral Relationships		
Deepen and broaden bilateral cooperation in reducing our nuclear arsenals and addressing the ballistic missile threat.		
	Outcome Indicator	
Indicator #1: Status of Cooperation With Allies/Friends on Missile Defense		
TARGETS	FY 2007	Continued participation (in terms of numbers, breadth, and depth) of Allies and friends in the U.S. missile defense program. Provision of support for, or assistance to, Allies and friends in fielding missile defense systems.
	FY 2006	Allies and friends continue to work with the U.S. on cooperative arrangements for deployment of U.S. missile defense systems. NATO proceeds with the adoption and integration of a joint missile defense operational command and control concept.
RESULTS	2005	Work continued on a bilateral basis with over a dozen countries, as well as work within the NATO Alliance. The Alliance Military Committee formally accepted a military requirement to provide NATO-wide Theater Missile Defense capabilities, and committed funding to the development of command and control capabilities for the system. Japan proposed to strengthen U.S.-Japan efforts as well as their own missile defense projects to enhance ballistic missile defense capabilities and relaxed its own “three principles” export control in regard to missile defense cooperation. We continued discussions with India on how India plans to incorporate missile defense into its strategic concepts and doctrine.
	2004	The U.S and Canada agreed to permit NORAD to support the Missile Defense Mission. Denmark agreed to upgrade the early warning radar at Thule, Greenland. Australia announced participation in the U.S. missile defense program and signed a MOU on cooperation. We began discussions with India its interest in missile defense. A NATO Staff Requirement for Active Layered Theater Ballistic Missile Defense (TMD) was established. With regard to NATO-Russian cooperation, Phase I of the TMD interoperability study was undertaken successfully, and included an effective NATO-Russia TMD exercise at Colorado Springs involving participation by ten states.
	2003	U.S. gained NATO agreement to specific missile defense deployment goals/options for protecting Alliance deployed military forces, as well as Alliance territory and population centers. Allies explored options for territorial missile defense at NATO Summit in November 2002.
	2002	Intensive consultations held with Allies concerning the U.S. Nuclear Posture Review, U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty, and the signing of the Moscow Treaty. Allies and friends welcomed the Moscow Treaty and acknowledged U.S. withdrawal from the ABM Treaty. Diplomatic efforts continued with Allies and friends to gain their active support for, and participation in, U.S. missile defense plans and programs.
DATA QUALITY	Indicator Validation	U.S. missile defense deployment plans depend in part on Allied cooperation. Also, the U.S. seeks a cooperative approach with Allies and friends to address the increased ballistic missile threat, including through missile defense.
	Data Source	Data used to measure performance will be based on USG/Allied/friends' announcements and actual contracts. This data are official, objectively knowable, and correct.






		
Outcome Indicator		
Indicator #2: Levels of Offensive Warheads; Transparency; Missile Defense Cooperation; Level of Treaty Implementation		
TARGETS	FY 2007	Continued implementation of the Moscow Treaty and the Strategic Arms Reduction Treaty (START). Broadening of offensive force transparency, including personnel visits. Continued implementation of missile defense-related transparency. The Joint Data Exchange Center (JDEC) is open and fully operational, where U.S. and Russian military officers monitor, side-by-side, launches of ballistic missiles and space launch vehicles.
	FY 2006	Expanded missile defense-related transparency and predictability efforts (including reciprocal visits and exhibitions, data exchanges, and joint consultations); joint missile defense cooperative programs with the development of industry-to-industry relationships. Continued discussions on offensive reductions. U.S. and Russia begin construction at the JDEC site toward the goal of conducting full operations at JDEC to exchange and monitor ballistic missile early warning data.
RESULTS	2005	Moscow Treaty reductions continued. Transparency exchanges, such as briefings on strategic force sustainment, were implemented successfully, and the U.S. proposed additional transparency, including new military exchanges. The U.S. provided an update on our missile defense plans and Russia briefed on its anti-ballistic missile flight test. Negotiations on a bilateral Defense Technical Cooperation Agreement progressed. Experts discussed taxation and liability provisions for nuclear-related assistance projects that could eventually help resolve the taxation and liability impasse in the JDEC agreement. Under the aegis of the NATO-Russia Council, the Theatre Missile Defense (TMD) Ad Hoc Working Group conducted the second in a series of joint NATO-Russia TMD Command Post Exercises. The Russian Federation has offered to host a TMD Command Post Exercise in the latter part of 2006. Over three million Euros (\$3.6M) have already been committed to the Interoperability Studies and Exercise program.
	2004	The Moscow Treaty Bilateral Implementation Commission met for the first time in April 2004. Moscow Treaty reductions were underway. In the Working Group on Offensive Transparency, the U.S. proposed practical transparency related to non-strategic nuclear warheads and strategic activities. In the Working Group on Missile Defense. Implementation of the JDEC was delayed mainly due to an overall impasse on taxation and liability issues between the U.S. and Russia. A longstanding issue concerning the B-1 bomber was resolved in the Joint Compliance and Inspection Commission (JCIC).
	2003	Moscow Treaty entered into force on June 1, 2003. The U.S. and Russia began exchanging information on their plans for reductions under the Moscow Treaty. In February 2003, NATO and Russia agreed on a work plan that includes some nuclear CSBMs. Discussions on START implementation continued on a more positive basis than in previous years; two meetings of the JCIC took place.
	2002	U.S. and Russia established a New Strategic Framework, including commitment to deep reductions in strategic nuclear warheads. The Treaty on Strategic Offensive Reductions was signed in Moscow in May 2002, calling for reductions to 1,700-2,200 warheads for each side by December 31, 2012. U.S. withdrew from Anti-Ballistic Missile (ABM) Treaty, thus removing the principal legal obstacle to deployment of missile defenses. All parties completed the final START I reductions by the required deadline of December 5, 2001.
DATA QUALITY	Indicator Validation	The New Strategic Framework is a key element in the transformation of the U.S.-Russian relationship from confrontation to cooperation. We seek Russian cooperation in managing our strategic relationship and in addressing the new challenges of the 21st century. Key elements of the New Strategic Framework are cooperation in implementing the Moscow Treaty and cooperation in missile defense, and will indicate whether the New Strategic Framework is being fulfilled.
	Data Source	Progress in the U.S-Russian strategic relationship will be recorded in bilateral and NATO statements and/or agreements. Milestones in the development of missile defense cooperation will be recorded in publicly available statements. This data will be objectively correct. Assessments of progress in negotiations/consultations will be based on embassy and delegation reporting.




Annual Performance Goal #2		
WD.02 STRENGTHENED MULTILATERAL WMD AGREEMENTS AND NUCLEAR ENERGY COOPERATION UNDER APPROPRIATE CONDITIONS.		
I/P #6: Safeguard Materials and Expertise of Concern		
Reinforce the IAEA - the treaty's implementing body - and persuade the international community that safeguards must be strengthened.		
 <b>Outcome Indicator</b>		
Indicator #1: Status of the Nonproliferation Treaty Regime		
TARGETS	FY 2007	<ol style="list-style-type: none"> <li>1. The Nonproliferation Treaty (NPT) remains strong with widespread support, and the review process for 2010 NPT Review Conference begins smoothly.</li> <li>2. No new cases of noncompliance related to nuclear weapons acquisition.</li> </ol>
	FY 2006	<ol style="list-style-type: none"> <li>1. NPT Review Conference leads to specific steps to strengthen and enforce compliance with the nonproliferation obligations of the Treaty (Articles I, II, III).</li> <li>2. Implementation of NPT Article IV continues smoothly with peaceful nuclear programs and cooperation being pursued consistent with the Treaty's objectives.</li> <li>3. NPT nuclear weapon states implement policies and actions that are consistent with the goal of nuclear disarmament in accordance with Article VI of the Treaty.</li> </ol>
RESULTS	2005	<ol style="list-style-type: none"> <li>1. 2005 NPT Review Conference demonstrated continued support for Treaty, focused on DPRK and Iran NPT violations and on measures to strengthen compliance with Articles I, II and III; however, procedural disputes sharply limited time available for debate and for negotiation on an outcome document.</li> <li>2. Steady momentum continued on the Additional Protocol with 15 agreements approved by the Board with the total now at 112; of these 104 are signed, and 69 are in force. All NPT parties with nuclear power reactors have concluded an Additional Protocol except for Argentina and Brazil. The Board approved an Additional Protocol for Malaysia in September, which represented an important step toward broader acceptance of the Additional Protocol by members of the NAM.</li> <li>3. Committee on Safeguards and Verification was established by the IAEA Board of Governors in June. This initiative of President Bush will strengthen the IAEA ability to ensure that countries comply with their nuclear proliferation obligations.</li> <li>4. Implementation of the Additional Protocol has not met expectations.</li> <li>5. The IAEA safeguards budget increased by \$4 million, enabling the United States to reduce the voluntary contribution for safeguards equipment and redirect funds to nuclear security and safeguards technical support.</li> </ol>
	2004	<ol style="list-style-type: none"> <li>1. UNSCR 1540 adopted.</li> <li>2. Democratic People's Republic of North Korea did not reverse withdrawal.</li> <li>3. No additional withdrawals.</li> <li>4. Libya violated the Treaty, but it also declared that it would abandon nuclear weapons and return to compliance with the NPT.</li> </ol>
	2003	<ol style="list-style-type: none"> <li>1. Progress on implementing some key conclusions of 2000 NPT Review Conference.</li> <li>2. Indefinite extension holds.</li> <li>3. No state withdraws from Treaty.</li> <li>4. No new cases of non-compliance.</li> </ol>
	2002	<ol style="list-style-type: none"> <li>1. IAEA took action on integrated safeguards and emphasized financial needs.</li> <li>2. Nine more states signed bringing the total to sixty-seven of which twenty-eight protocols have entered into force.</li> <li>3. The IAEA Board approved a multi-year, \$11.5 million a year program to address the prevention of, detection of and response to nuclear terrorism.</li> </ol>
DATA QUALITY	Indicator Validation	This indicator tracks the extent to which the global community supports and takes actions to increase the effectiveness of the NPT against new proliferation threats while continuing to provide other benefits.
	Data Source	Diplomatic cables and first hand accounts of activities. IAEA public records.




I/P #7: Strengthen Global Constraints on WMD		
Strengthen the Chemical Weapons Convention (CWC) to ensure that existing chemical weapons stockpiles are destroyed and that civilian chemical industry facilities do not make chemical weapons; and strengthen implementation of the Biological Weapons Convention (BWC) through the adoption of improved national measures.		
 <b>Output Indicator</b>		
<b>Indicator #1: Viability of the Chemical Weapons Convention</b>		
<b>TARGETS</b>	<b>FY 2007</b>	173 States Parties. Completion of destruction of Albanian and Libyan chemical weapons agent stockpiles, with U.S. assistance. The Organization for the Prohibition of Chemical Weapons (OPCW) inspection program sustains FY 2006 level. Third Russian destruction facility begins operations, and fourth facility near completion. OPCW adopts remedial measures to ensure that any delinquent states meet Article VII requirements.
	<b>FY 2006</b>	170 States Parties. Completion of 45% of Albanian and Libyan chemical weapon agent stockpiles. OPCW inspection program expands to 235 sites inspected in 61 countries. Second Russian destruction facility completed. All Article VII requirements met by 75% of States Parties.
<b>RESULTS</b>	2005	1. 174 States-Parties. 2. Destruction of Libya's stockpile not completed as targeted due in part to U.S. statutory requirements that limit assistance by U.S. companies. At the time of reporting, the OPCW was on target to complete 162 inspections worldwide (up from 132 in 2004). So far, 79% of all States-Parties have designated a National Authority, and 65% have implementing legislation enacted or in the review process.
	2004	164 Parties to the CWC. Ensured rapid submission of an accurate declaration of Libya's chemical weapons stockpile and civilian chemical industry and began destruction of its CW stockpiles. USG and OPCW undertook an Article VII action plan to promote effective domestic implementation of CWC obligations by States Parties. OPCW inspection program was put at risk by U.S. delay in paying assessments, but by end of year, U.S. paid enough to ensure a full program of inspections.
	2003	150 States Parties. One destruction facility in Russia begins operations. OPCW under good management and conducting full inspection program.
	2002	148 States Parties and Libya and Thailand voiced intent to join. The U.S. fully implemented CWC industry obligations by meeting all declaration and reporting requirements. U.S. succeeded in bringing about a change of OPCW leadership and provided a \$2 million voluntary contribution to resolve OPCW financial crisis. Department ensured significant international financial assistance provided for Russian CW destruction.
<b>DATA QUALITY</b>	<b>Indicator Validation</b>	The OPCW needs to be an efficient and viable organization so that it can carry out all the inspections needed to ensure compliance with the CWC. The Department is using one target to measure the number of inspections in the number of countries (as opposed to the number of inspections alone) because our objective is to spread the geographic scope of inspections so that every site of concern is inspected. The number of States Parties provides a measure of the CWC's growing influence and universality, and provides one measure of whether the CWC is an effective instrument for reducing the WMD threat.
	<b>Data Source</b>	Public announcements by States Parties and/or OPCW. OPCW internal reports and bilateral consultations.



 <b>Output Indicator</b>		
<b>Indicator #2: Number of States Parties That Incorporate U.S. Proposals in Their National Approaches to Controlling the Biological Weapons Threat</b>		
<b>TARGETS</b>	<b>FY 2007</b>	States Parties agree at the November 2006 Review Conference on additional Work Program elements that will (a) incorporate additional features into the international landscape to tighten security to prohibit biological weapons programs or bioterrorism, and (b) provide for transparent international checkup on the existence and effective implementation of the measures agreed by States Parties in previous years and at the Review Conference.
	<b>FY 2006</b>	U.S. alternative proposals incorporated by 40-45 Biological Weapons Convention (BWC) States Parties in their national approaches to controlling the BW threat.
<b>RESULTS</b>	2005	The 2003-2005 work program, derived from U.S. proposals, has been remarkably successful in raising awareness of States-Parties to the urgency of establishing and/or strengthening national measures to combat the growing biological weapons threat. 40 countries incorporated U.S. proposals into their national efforts.
	2004	78 State Parties pledged to implement and enforce appropriate pathogen security and national implementation measures, which was the first subject of the U.S.-proposed multi-year work program.
	2003	At the November 2002 Review Conference, States Parties agreed to a work program based on U.S. proposals. By end of 2003, 25 states reported that national legislation was already in place (the first item of the work program), and all 80 States Parties participating in the 2003 meeting agreed that such legislation was an important element of their obligations. All participants agreed on the importance of biosecurity (the second item of the work program), though only 20 States Parties indicated they had an awareness-raising program in their countries.
	2002	USG rejected a legal verification Protocol for the BWC, developed an alternative package of effective measures to strengthen the BWC, and began discussions with other BWC States Parties.
<b>DATA QUALITY</b>	Indicator Validation	This indicator is a direct measure of the success of U.S. diplomacy in persuading other BWC States Parties to follow the U.S. approach for strengthening implementation of the BWC. If all States Parties undertake the desired national actions, it will be much more difficult for terrorists or rogue states to acquire biological weapons.
	Data Source	Public announcements by States. States-Parties' reports to other States-Parties and delegation reporting.



I/P #8: Optimize Multilateral Nonproliferation Relationships		
Achieving U.S. national security aims in controlling WMD proliferation requires international cooperation, and more specifically, special relationships with key entities.		
<div></div> <div>Output Indicator</div>		
Indicator #1: Reorganization of the Nuclear Supply Group and Dual-Use Regime		
TARGETS	FY 2007	Nuclear Suppliers Group (NSG) continues to operate effectively. Dialogue continues on no-undercut provisions for Trigger List items and on technical updates on NSG guidelines.
	FY 2006	NSG continues to operate effectively. Dialogue continues on no-undercut provisions for Trigger List items and on technical updates on NSG guidelines.
RESULTS	2005	<div>1. The Missile Technology Control Regime (MTCR) welcomed Bulgaria as a new member, continued its outreach to non-members, agreed to enhance information exchange on Partners’ transit, transshipment, and brokering controls, continued cooperation to halt shipments of missile proliferation concern, and added one item to its control lists.</div> <div>2. Five plant pathogens were added to the control list.</div>
	2004	<div>1. Progress was made toward a tough criteria approach to strictly limit Enrichment and Reprocessing transfers.</div> <div>2. Some progress on making the Additional Protocol a condition of supply (4 members still oppose).</div> <div>3. Agreement on adding catch-all provisions to Part 2 Dual-Use Guidelines.</div>
	2003	<div>Baseline:</div> <div>1. NSG agreed to U.S. proposals to amend Guidelines to address nuclear terrorism.</div> <div>2. NSG agreed to alert non-members to risk of diversion to DPRK nuclear program.</div> <div>3. The Australia Group added 14 human and two animal pathogens to its biological control list, embarked on a program of action for more effectively engaging countries in the Asia-Pacific region on CBW nonproliferation issues, and agreed on new procedures for improving transparency and enhancing information sharing among members.</div> <div>4. MTCR adopted new catchall and "intangible" technology (e.g. via Internet) requirements, added controls on more CBW-relevant unmanned air vehicles.</div>
	2002	N/A
DATA QUALITY	Indicator Validation	This indicator is well suited to enable us to assess the most important elements of our policy concerning multilateral nonproliferation regimes.
	Data Source	Data on progress comes from diplomatic cables and first hand accounts of activities. Both are expected to be highly reliable. Sometimes the ability to seek clarifying information from foreign governments is hampered by the lack of cleared language available to discuss issues in detail.



Annual Performance Goal #3
WD.03 VERIFICATION INTEGRATED THROUGHOUT THE NEGOTIATION AND IMPLEMENTATION OF ARMS CONTROL, NONPROLIFERATION, AND DISARMAMENT TREATIES, AGREEMENTS AND COMMITMENTS, AND RIGOROUS ENFORCEMENT OF COMPLIANCE WITH IMPLEMENTATION AND INSPECTION REGIMES.

I/P #9: Verification
Status of articulating and implementing new approach to verification based on "National Means and Methods." Status of integrating verification into negotiations and implementation of arms control, nonproliferation, and disarmament treaties, agreements, and commitments.




### Outcome Indicator


Indicator #1: Status of Verifiable Elimination of Iranian Enrichment, Reprocessing and Other Nuclear Weapons Development Programs		
TARGETS	FY 2007	Enrichment-related and plutonium production activities cease. Iran is in compliance with the Nonproliferation Treaty, its Safeguards agreement, and has abandoned its nuclear weapons program.
	FY 2006	Committee on Safeguards and Verification commences investigation of improvements to International Atomic Energy Agency (IAEA) Safeguards. Continue to mobilize diplomatic community toward reporting Iran to U.N. Security Council in wake of its repudiation of Paris Agreement and resumption of uranium conversion. Achieve international agreement on measures that Iran must take to permit effective verification of compliance with cessation of nuclear programs.
RESULTS	2005	Challenges of dealing with clandestine Iranian nuclear efforts help facilitate adoption of U.S. Presidential initiative to establish IAEA Board of Governors Committee on Safeguards and Verification (CSV) to help improve IAEA nuclear safeguards system. Mobilized diplomatic community toward reporting Iran to U.N. Security Council in wake of its repudiation of Paris Agreement and resumption of uranium conversion.
	2004	Continued U.S. pressure on IAEA Board helps keep IAEA inspectors involved in extensive investigations in Iran, uncovering more information about Iran's secret 20-year nuclear weapons program.
	2003	Exposure via unclassified IAEA reports of additional information on nature and extent of Iran's clandestine uranium enrichment effort since mid-1980s. Adoption of IAEA Board resolution finding Iran guilty of breaches and failures of its safeguards obligations. European governments achieve Iranian promise to cease enrichment-related activities.
	2002	<u>Baseline:</u> Exposure via unclassified IAEA reports of Iran's clandestine uranium enrichment effort at Natanz. Mobilization of diplomatic community against clandestine Iranian nuclear work. Initiation of major, intrusive IAEA inspections in Iran aimed at investigating this new information.
DATA QUALITY	Indicator Validation	This indicator is an indirect measure of the status of Iran's nuclear weapons program, a key foreign policy concern.
	Data Source	Intelligence reports, open source reporting. IAEA conducts unencumbered inspections of Iran in accordance with Safeguards Agreements.





 <b>Outcome Indicator</b>		
Indicator #2: Status of Verified Elimination of North Korea's Nuclear, Chemical, Biological, and Long-Range Missile Programs		
TARGETS	FY 2007	<ol style="list-style-type: none"> <li><u>Nuclear</u> - Continue nuclear-related dismantlement negotiations with North Korea. As a result of the negotiation process, further refine the framework for dismantling North Korea's nuclear program and its associated dismantlement verification regime.</li> <li><u>Chemical</u> - Refine game plan and continue to press for DPRK accession and halt to proliferation.</li> <li><u>Biological</u> - Refine game plan to press for compliance. Firm up strategy for follow-on Review Conference. Review CBMs.</li> <li><u>Missile</u> - Complete planning and if possible begin negotiations with North Korea on a verifiable missile export ban and limits on indigenous missile programs.</li> </ol>
	FY 2006	<ol style="list-style-type: none"> <li><u>Nuclear</u> - Based on Libya model and work of DOE's Technical Oversight Group, complete internal development of the framework for verifiably and irreversibly dismantling North Korea's nuclear program, and press for its acceptance in the Six-Party Talks. Identify all relevant North Korean facilities, equipment and materials, to include any disclosures by North Korea regarding its nuclear program. Further refine baseline U.S. nuclear dismantlement verification regime. Continue nuclear-related dismantlement negotiations with North Korea.</li> <li><u>Chemical</u> - Use multilateral contacts to encourage DPRK to accede to CWC and halt CW proliferation.</li> <li><u>Biological</u> - Use the 2006 BWC Review Conference to press for compliance and develop a game plan for follow-on. Review confidence building measures (CBMs).</li> <li><u>Missile</u> - Plan for possible negotiations with North Korea on missile export ban and limits on indigenous missile programs.</li> </ol>
RESULTS	2005	Ensured that verification considerations were integral to the process of negotiating a complete, verifiable, and irreversible dismantlement of North Korea's nuclear programs.
	2004	Developed baseline nuclear verification regime to support USG negotiating efforts.
	2003	Developed conceptual framework for the complete, verifiable, and irreversible dismantlement of North Korea's nuclear program.
	2002	Raised awareness in international community of dangers of clandestine involvement in uranium enrichment efforts in violation of 1994 Agreed Framework and 1992 South-North Joint Declaration on the Denuclearization of the Korean Peninsula. Introduced admission and abandonment of such enrichment efforts as <i>sine qua non</i> of a DPRK nuclear resolution.
DATA QUALITY	Indicator Validation	This indicator is an indirect measure of the status of North Korea's weapons programs, a key foreign policy concern.
	Data Source	Intelligence reports and open source reporting (including information from international organizations -- i.e., IAEA, OPCW).




I/P #10: Compliance Assessment and Reporting		
Extent to which States Parties are in compliance with arms control, nonproliferation, and disarmament treaties, agreements and commitments.		
 <b>Outcome Indicator</b>		
<b>Indicator #1: Status of Compliance with Arms Control, Nonproliferation, and Disarmament Treaties, Agreements and Commitments</b>		
<b>TARGETS</b>	<b>FY 2007</b>	<ol style="list-style-type: none"> <li>1. Nonproliferation Treaty (NPT): Fully assess State Parties' activities in light of their nonproliferation obligations and reflect that assessment as appropriate in reports and diplomatic relations.</li> <li>2. Conventional Forces in Europe (CFE) Treaty: Ongoing compliance effort improves level of compliance. Any new noncompliance concerns with Treaty identified and addressed.</li> <li>3. Chemical Weapons Convention (CWC): Increase in number of States Parties addressing compliance concerns, and increase in new states acceding to the Treaty.</li> <li>4. Missile Nonproliferation Commitment, including Missile Technology Control Regime (MTCR): Assess compliance with newly concluded missile agreement with the DPRK. Monitor Libya's compliance with its December 2003 and May 2004 commitments using missile program long-term monitoring plan.</li> <li>5. Strategic Arms Reduction Treaty (START): Resolve noncompliance issues.</li> </ol>
	<b>FY 2006</b>	<ol style="list-style-type: none"> <li>1. Nonproliferation Treaty (NPT): Fully assess State Parties' activities in light of their nonproliferation obligations and reflect that assessment as appropriate in reports and diplomatic relations. Encourage IAEA to use all available means to assess compliance with Safeguards agreements. Encourage State Parties to make their own noncompliance assessments. Contrast in international nonproliferation fora the Libya strategic decision to abandon its pursuit of WMD and the resulting elimination of its nuclear program.</li> <li>2. Conventional Forces in Europe (CFE) Treaty: 2006 Review Conference highlights advantages of compliance. Russia fulfills Istanbul Commitments.</li> <li>3. Chemical Weapons Convention (CWC): Increase in number of States Parties addressing compliance concerns, and increase in new states acceding to the treaty.</li> <li>4. Missile Nonproliferation Commitment, including Missile Technology Control Regime (MTCR): Monitor Libyan adherence to its December 2003 and May 2004 commitments limiting its missile programs to missile systems below MTCR Category 1 specifications according to long-term monitoring plan.</li> <li>5. Open Skies: Newly allowed sensor categories integrated into Treaty operations without compliance concern.</li> <li>6. Strategic Arms Reduction Treaty (START): Resolve noncompliance issues.</li> </ol>





RESULTS	2005	<ol style="list-style-type: none"> <li>1. Denuclearization of the DPRK — On September 19, 2005, the DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the NPT and to IAEA Safeguards. Steps to implement the complete, verifiable, irreversible dismantlement are yet to be initiated.</li> <li>2. Limiting Iran's Nuclear Program — Iran has yet to agree to permanently suspend or eliminate conversion, enrichment or reprocessing nuclear fuel cycle activities.</li> <li>3. PPRA — VCI continues to monitor implementation of transparency measures for PPRA (which entered into force in 1997), as well as for the HEU Purchase Agreement.</li> <li>4. FMCT — Following an 18-month review of U.S. policy regarding an FMCT, the United States affirmed its support for the negotiation of an FMCT, but, in a change from our prior position, the United States has concluded that an internationally and effectively verifiable FMCT is not realistically achievable. In fact, it could lull the international community into a false sense of confidence that obligations were being adhered to. While the United States will no longer support negotiating under a mandate that presupposes effective verification of an FMCT, we do urge our colleagues at the Conference on Disarmament to join us in concluding a normative FMCT that relies on each state using its own resources to verify compliance.</li> <li>5. Strategic Arms Reduction Treaty (START) — Two longstanding, major START compliance issues resolved.</li> <li>6. Vienna Document 99 (VD) — All States-Parties exchange data and notify activities in compliance with VD.</li> </ol>
	2004	<ol style="list-style-type: none"> <li>1. Bilateral Implementation commission (BIC) held first meeting in April 2004. Parties discussed and exchanged information regarding treaty implementation efforts. No additional U.S. enforcement actions required. Working Group One on Offensive Transparency met in November 2003 to discuss near-term transparency and build a long-term vision in arena of offensive systems.</li> <li>2. U.S. intelligence capabilities and knowledge gained from START and other agreements provided a foundation for obtaining transparency of Moscow Treaty implementation.</li> <li>3. U.S. proposed road map to achieve U.S. and North Korea publicly stated goals, and outlined major elements of the process leading to complete, irreversible and verifiable dismantlement of the North Korea nuclear program. North Korea has not engaged in substantive discussions of U.S. proposal or their own counterproposal. Without progress in the nuclear arena as a matter of priority, there is no movement in the ballistic missile issue.</li> </ol>
	2003	<ol style="list-style-type: none"> <li>1. The Senate provided its advice and consent to ratification of the Moscow Treaty in June 2003. Began implementation of Moscow Treaty through its Bilateral Implementation Commission (BIC).</li> <li>2. Considered role of transparency measures in terms of the BIC.</li> <li>3. Integrated verification concepts into USG deliberations and negotiations toward verifiable elimination of North Korea's nuclear program, including preparation of core interagency building blocks.</li> </ol>
	2002	<p><u>Baseline:</u></p> <ol style="list-style-type: none"> <li>1. Moscow Treaty Verifiability Report completed.</li> <li>2. U.S. positions on verification requirements developed.</li> <li>3. Transparency Measures for the Moscow Treaty developed.</li> <li>4. Prepared assessment of the elements of the verifiable dismantlement of the North Korean nuclear weapons capability.</li> <li>5. Prepared assessment of the elements of a ban on North Korean indigenous and export programs for ballistic missiles.</li> </ol>
DATA QUALITY	Indicator Validation	Other nations agree to acceptable solutions to noncompliance concerns. National Means and Methods, intelligence reporting, data exchanges, declarations, inspections, and an established forum for resolving concerns over the long-term will validate compliance by Libya, DPRK, and other countries.
	Data Source	National Means and Methods and multinational methods of information collection, including intelligence reporting, open source information, data exchanges, declarations, inspections, bilateral consultations, multilateral meetings, and established fora for resolving concerns.




I/P #11: Compliance Enforcement and Diplomacy		
Extent to which international constituency in support of compliance with arms control, nonproliferation, and disarmament treaties, agreements, and commitments is strengthened through compliance diplomacy, international review conferences and preparatory meetings, consultative mechanisms, and sanctions.		
 <b>Output Indicator</b>		
Indicator #1: Extent to Which Compliance is Strengthened and Enforced Through Diplomacy		
TARGETS	FY 2007	<ol style="list-style-type: none"> <li>1. <u>Compliance Diplomacy</u>. Increase international support of U.S. noncompliance concerns. Engage governments in Compliance diplomacy to encourage and facilitate their adoption of more rigorous and systematic compliance assessments and understanding of verification policy in the service of nonproliferation objectives.</li> <li>2. <u>Libya</u>. U.S.-U.K.-Libya Trilateral Steering and Cooperation Committee used to address any issues with Libya regarding implementation of its commitments to eliminate its WMD and long-range missiles.</li> <li>3. <u>Nonproliferation Treaty</u>. Focus the FY 2007 NPT Preparatory Committee, leading up to the 2010 NPT Review Conference, on the threat to the viability of the NPT from States Parties' noncompliance with the NPT.</li> <li>4. <u>Sanctions</u>. Continue to present substantive judgments of sanctionable activity to decision-makers for sanctions decisions. Focus enforcement efforts against known and repeat proliferators, and urge host governments to increase domestic laws and regulations to stem proliferation. Ensure WMD and WMD technology transfers are properly reviewed and sanctioned where appropriate according to U.S. sanctions laws and international agreements, commitments.</li> </ol>
	FY 2006	<ol style="list-style-type: none"> <li>1. <u>Compliance Diplomacy</u>. Encourage and facilitate other governments' adoption of more rigorous and systematic compliance assessments and understanding of verification policy in service of nonproliferation objectives. Follow up on the US-EU agreement to establish a dialogue on compliance and verification for the purpose of identifying areas of possible cooperation.</li> <li>2. <u>International Fora</u>. Introduce compliance and compliance enforcement topics to meetings of regional groupings and to organizations such as the Australia Group.</li> <li>3. <u>USG</u>. Work with the Foreign Service Institute to establish course module on verification, compliance and compliance enforcement that would be taught both at FSI and through remote learning; outreach to DoD and intelligence schools.</li> <li>4. <u>Libya</u>. U.S.-UK-Libya Trilateral Steering and Cooperation Committee used to address any issues with Libya regarding implementation of its commitments to eliminate its WMD and long-range missiles.</li> <li>5. <u>Nonproliferation Treaty</u>. Pursue evidence of safeguards noncompliance activities by NPT Parties and work to ensure such activities are vetted by the IAEA Board of Governors.</li> <li>6. <u>Sanctions</u>. Increase effectiveness of verification and compliance with existing nonproliferation agreements and commitments, including Australia Group, MTCR, CWC, relevant import/export regimes, and U.S. sanctions laws. Continue to present substantive judgments of sanctionable activity to decision-makers for sanctions decisions. Focus enforcement efforts against known and repeat proliferators, and urge host governments to increase domestic laws and regulations to stem proliferation. Ensure WMD and WMD technology transfers are properly reviewed and sanctioned where appropriate according to U.S. sanctions laws and international agreements, commitments.</li> </ol>




RESULTS	2005	<ol style="list-style-type: none"> <li>1. <u>Western Europe and Canada</u>. Consultations with visiting dignitaries on the U.S. approach to verification, compliance, and enforcement, including Belgium, Portugal, and the Netherlands. Eastern Europe and Russia. Bilaterals held with Hungary and Poland at United Nations General Assembly (UNGA).</li> <li>2. <u>Near East and Asia</u>. Bilaterals held with Egypt, Kuwait, UAE, Morocco and Libya at UNGA and UNFC. Planning consultations in the region with UAE, Qatar, Saudi Arabia.</li> <li>3. <u>Libya</u>. U.S.-UK-Libya Trilateral Steering and Cooperation Committee used to address any issues with Libya regarding implementation of its commitments to eliminate its WMD and long-range missiles.</li> <li>4. <u>Latin America</u>. Bilaterals held with key officials from Chile, Colombia, Argentina, Brazil, and Peru at UNGA. Bilaterals held with national security leaders in Brazil, Argentina, and Chile in a targeted compliance diplomacy trip.</li> <li>5. <u>Nonproliferation Treaty</u>. Focused 2005 NPT Review Conference on the "Crisis of Compliance," highlighting requirements for compliance and indicators of noncompliance, specifically Iran and North Korea proliferation activities. Sanctions. Continued rigorous standards of verification of compliance with existing nonproliferation agreements and commitments, including Australia Group, MTCR, CWC, relevant import/export regimes, and U.S. sanctions laws.</li> </ol>
	2004	<ol style="list-style-type: none"> <li>1. <u>Public Diplomacy</u>. Increased public diplomacy effort on the need for strict adherence to the NPT and the consequences of noncompliance.</li> <li>2. <u>Western Europe and Canada</u>. Countries identified and prioritized for future Compliance Diplomacy visits. Bilaterals with UK, France, Portugal, and Sweden.</li> <li>3. <u>Eastern Europe and Russia</u>. Consulted with Russian officials about Russia's noncompliance with START, which was reported in the Noncompliance Report.</li> <li>4. <u>Sanctions</u>. Worked closely with the Intelligence Community to ensure robust collection concerning proliferation activities. Presented substantive judgments of sanctionable activity to decision-makers for sanctions decisions.</li> </ol>
	2003	N/A
	2002	N/A
DATA QUALITY	Indicator Validation	Shifts in country attitudes, emphasis on compliance at international meetings, and agreement to address noncompliance concerns will help to validate norm of compliance.
	Data Source	National Means and Methods and multinational methods of information collection, including all source reporting, bilateral consultations, on-site inspections, IAEA and OPCW reports, reports from posts, information derived from meetings and visits, etc.



I/P #12: Effectiveness of International Organizations		
Extent to which relevant organizations support rigorous assessment and enforcement of states parties' compliance with arms control, nonproliferation, and disarmament treaties, agreements, and commitments.		
 <b>Outcome Indicator</b>		
<b>Indicator #1: Extent to Which Relevant Organizations Support Rigorous Assessment and Enforcement of State Parties' Compliance with Arms Control, Nonproliferation, and Disarmament Treaties, Agreements and Commitments</b>		
<b>TARGETS</b>	<b>FY 2007</b>	Encourage International Atomic Energy Agency (IAEA) to use all available means to assess compliance with Safeguards agreements and to report all instances of noncompliance to the IAEA Board of Governors. If not already accomplished, IAEA Board of Governors reports Iran's noncompliance to the UN Security Council and Iran ends its nuclear fuel-cycle pursuits and recommits to its NPT obligations. Implement results of the IAEA Verification Assessment pursuant to U.S. policy.
	<b>FY 2006</b>	IAEA - Conclude understanding with European and other Western allies of standards for handling safeguards compliance under IAEA Statute, and leverage this agreement to influence IAEA Secretariat and other members of IAEA Board of Governors. Encourage International Atomic Energy Agency to use all available means to assess compliance with Safeguards agreements and to report all instances of noncompliance to the IAEA Board of Governors. If not all already accomplished, IAEA Board of Governors reports Iran's noncompliance to the UN Security Council and Iran ends its nuclear fuel-cycle pursuits and recommits to its NPT obligations. Obtain a UNSC Resolution condemning Iran's NPT violations and outlining the steps Iran must take to bring itself back into compliance. Begin security audit of IAEA information technology systems.  Organization for the Prohibition of Chemical Weapons (OPCW) - Emphasize compliance and enforcement at the OPCW. This would include establishing a bilateral dialogue with States Parties explaining the importance of compliance as well as the need for States to establish their own National Means and Methods to assess compliance.
<b>RESULTS</b>	<b>2005</b>	IAEA - As States or other entities share sensitive information regarding suspected clandestine activities and as countries bring into force the Additional Protocol, the IAEA is able to better target its resources to detect and investigate instances of undeclared activities. In June of 2005, the IAEA Board of Governors established a Special Committee on Safeguards and Verification which, inter alia, will prepare a comprehensive plan for strengthening safeguards and verification. Evidence of noncompliance by Iran were vetted by the IAEA Board of Governors. The Safeguards Department now assesses all proposed Technical Cooperation projects in order to identify projects of proliferation concern.  OPCW - U.S. delivered statement at the Ninth Session of the Conference of States Parties of the OPCW on agenda item nine: Status of Implementation of the Convention. Continued bilateral meetings with high-level visitors to Washington. Completed security audit of OPCW information technology systems and worked with OPCW to facilitate implementation of improvements recommended by the U.S. review.



	2004	IAEA - Rebuttal of IAEA legal arguments regarding meaning of Article XII.C of IAEA Statute with respect to reporting safeguards noncompliance to U.N. Security Council. Diplomatic outreach to members of IAEA Board of Governors to encourage clearer and more rigorous understanding of provisions in IAEA Statute regarding noncompliance. Articulation of 2004 NPT Preparatory Committee of U.S. position on criteria for judging NPT article II compliance. Sought to ensure that evidence of noncompliance by Iran and North Korea was vetted by the IAEA Board of Governors. Sought a resolution by the BOG reporting Iran's noncompliance to the UN Security Council. Initiated a Verification Assessment of the IAEA, including its TC program, to improve effectiveness of the IAEA to contribute to verification and compliance, particularly to detect undeclared activities and prevent misuse of Technical Cooperation program assistance.
	2003	OPCW - Emphasized compliance at the OPCW. Addressed the Western and Others Group and conducted compliance discussions with the Director General of the OPCW. Over twenty bilateral meetings were conducted with representatives of foreign governments to explain USG approach to verification and compliance.
	2002	Initiate a verification assessment of the IAEA's contributions to verification and compliance of USG nonproliferation goals. This includes assessing the IAEA's ability to detect undeclared activities and its utilization of resources to address concerns about Non-Nuclear Weapon States suspected of weapons activities.
	2002	Supported IAEA safeguards as a nonproliferation policy priority. Trilateral Initiative stalled by Russia. U.S. exploring possible continued cooperation on verification technology.
DATA QUALITY	Indicator Validation	Promoting understanding of verification and importance of compliance with the IAEA, OPCW, and States Parties results in concerted enforcement actions.
	Data Source	IAEA and OPCW reports, all source intelligence review, bilateral consultations, discussions at multilateral fora.

I/P #13: All Source Intelligence Collection and Technology Research and Development		
Extent to which intelligence collection resources and technology research and development support arms control, nonproliferation, and disarmament verification and compliance objectives and secure and protect intelligence information.		
 <b>Output Indicator</b>		
<b>Indicator #1: Extent to Which the Department is an Aggressive Customer of and Advocate for Intelligence for Verification and Compliance</b>		
TARGETS	FY 2007	<p>Verification Assets Fund (V Fund) -- V Fund authorization and appropriation as a line-item. V Fund used to preserve critical assets and develop new R&amp;D verification projects. Matrices refined to identify existing and emerging collection systems and gaps potentially capable of answering key questions in the areas of WMD-Terrorism, Chem, Bio, Nuclear, and Missile. Matrices used as basis for advocacy and to identify candidates for the V Fund.</p> <p>Nonproliferation and Arms Control Technology Working Group (NPAC TWG) - Coordinate results for more effective application of R&amp;D in support of verification and compliance objectives.</p>



	FY 2006	<p>V Fund -- Matrices developed to identify existing and emerging collection systems and gaps potentially capable of answering key questions in the areas of WMD-Terrorism, Chem, Bio, Nuclear, and Missile.</p> <p>Seeking V Fund authorization and appropriation as a line-item. V Fund used to preserve critical assets and develop new R&amp;D verification projects. Initiate and implement projects to influence collecting data concerning WMD and their means of delivery and verification R&amp;D, targeting countries of concern.</p> <p>NPAC TWG -- Membership expands.</p>
RESULTS	2005	<ol style="list-style-type: none"> <li>1. Verification Assets Fund -- not endowed, but resources allocated for verification activities consistent with Verification Asset Fund goals. Initiate and implement projects to influence nuclear test monitoring and verification R&amp;D, targeting countries of concern.</li> <li>2. NPAC TWG -- influences U.S. Government research and development decisions.</li> </ol>
	2004	<ol style="list-style-type: none"> <li>1. Verification and Assets Fund -- Verification activities funds were used to fund critical research to aid in the exploitation of seismic data to determine if countries were adhering to their obligations under the NPT, Threshold Test Ban Treaty, and nuclear test moratoria.</li> <li>2. NPAC TWG -- Symposium held in May 2004. NPAC TWG Participatory role in the NSC's Counterproliferation Technology Coordinating Committee.</li> </ol>
	2003	Nonproliferation and Arms Control Technology Working Group (NPAC TWG) -- Report published October 2002. Three R&D conferences co-sponsored by NPAC TWG (BW, CW, and unattended radiation sensors.) Expanded organizational participation beyond "traditional" IC groups. Established Signatures Subcommittee.
	2002	<ol style="list-style-type: none"> <li>1. Verification Assets Fund (V-Fund) utilized.</li> <li>2. Verification Technology R&amp;D and intelligence assets coordinated and supported.</li> <li>3. The Department provided \$400,000 to initiate a Program Office and to advocate funding the replacement for the COBRA JUDY radar (operated by the Department of Defense and the intelligence community), critical for verification of the Strategic Arms Reduction Treaty (START) and for missile proliferation assessments.</li> <li>4. The Verification and Compliance Bureau (VC) co-chaired the interagency Nonproliferation and Arms Control Technology Working Group (NPAC TWG), which acts as a central Coordinator for verification technology and identifies shortfalls in funding for critical arms control and nonproliferation R&amp;D projects.</li> <li>5. The Department finalized the biennial NPAC TWG Report. As co-chair, VC assisted in sponsoring major symposia on Biological Weapons Detectors, Nuclear Explosion Detection, Chemical Weapons Detectors, and Unattended Radiation Sensors.</li> </ol>
DATA QUALITY	Indicator Validation	Advocacy promoted through funding of V Fund activities and the NPAC TWG process is important to ensure that the right kind of sensors and collection assets exist (and new ones developed) to support the Department's WMD and anti-terrorism mission.
	Data Source	Department of State: VCI and IRM Bureaus.





## V. Illustrative Examples

Weapons of Mass Destruction	
<b>Libya Eliminates Weapons of Mass Destruction</b>	In December 2003, Libya made a commitment to eliminate its nuclear, chemical, and biological weapons, and its long-range missiles. Libya has since signed and is implementing the IAEA Additional Protocol, cooperated with the U.S./UK to remove equipment from its nuclear weapons program, acceded to the CWC, destroyed CW munitions, eliminated its SCUD-C missile force, and agreed to ultimately eliminate its SCUD-B missiles so that Libya will no longer have a MTCR Category I range/payload capable system. The U.S., UK, and Libya have established the Trilateral Steering and Cooperation Committee (TSCC), a forum for continuing implementation of Libya's commitments over the long-term, including in the area of cooperative engagement on scientific and engineering initiatives. Libya's strategic decision to forego and dismantle such weapons has resulted in positive benefits accruing to Libya. This "Libyan model" of dismantlement offers the promise of a better future for other states that make a similar strategic decision. The Department also launched Scientist Engagement Initiative to integrate former weapons experts into the global science community and deter them from transferring their expertise to terrorists or states of concern.
<b>Resolution of Liability for U.S.-Russian Agreements</b>	In July 2005, the United States and the Russian Federation successfully completed negotiations resulting in conformed English and Russian texts of the long-awaited liability protections protocol for the plutonium disposition program. This protocol is now ready for the formal governmental approval process in Russia, after which both countries will sign it. Resolving this issue facilitates each country's plan to dispose of 34 metric tons of surplus weapon-grade plutonium - enough for more than eight thousand nuclear weapons. In addition, the liability protocol will provide a path forward for cooperation in a number of other nonproliferation and threat reduction areas, including possible new programs under the 1992 Cooperative Threat Reduction Umbrella Agreement and extension of that critical agreement (which would otherwise expire in June 2006) as early as possible.
<b>The Proliferation Security Initiative</b>	Proliferation Security Initiative (PSI) partners continue to build a network of cooperation aimed at improving national capacities to act with speed and effectiveness to stop WMD trafficking on the land, at sea, and in the air. Secretary Rice noted on May 31, 2005 eleven cases in which PSI cooperation has stopped the transshipment of material and equipment bound for countries of proliferation concern, including Iran. Through Executive Order 13382, PSI efforts are cutting off funding to entities engaged in WMD-related trafficking. The focus of the PSI remains on operationalizing the Initiative as evidenced by the nine interdiction exercises that will be conducted around the world during FY 2005, the conclusion of six PSI shipboarding agreements to date, and greater involvement of law enforcement organizations. The PSI has gained even greater acceptance throughout the global community with approval of UN Security Resolution 1540 calling for international cooperation against WMD trafficking and supportive statements from the UN High Level Panel and the UN Secretary General.
<b>IAEA Board Committee on Safeguards and Verification</b>	In June 2005, the IAEA Board of Governors agreed to establish a Committee on Safeguards and Verification, as President Bush proposed in February 2004. This Committee will consider ways to strengthen the IAEA safeguards system, and thereby strengthen the IAEA's ability to ensure that countries comply with their nuclear proliferation obligations.



## V. Resource Detail

Table 1: State Appropriations by Bureau (\$ Thousands)

Bureau (Ranked by Highest FY 2007 Request)	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
International Organization Affairs	109,859	65,977	112,821
International Security and Nonproliferation	32,210	32,258	33,215
European and Eurasian Affairs	18,674	18,589	18,005
Verification and Compliance	2,529	2,632	16,064
Other Bureaus	126,459	42,876	30,856
<b>Total State Appropriations</b>	<b>\$289,731</b>	<b>\$162,332</b>	<b>\$210,961</b>

Table 2: Foreign Operations by Account (\$ Thousands)

Title/Accounts	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
<b>Title I - Export and Investment Assistance</b>			
Export-Import Bank	-	-	-
Overseas Private Investment Corporation	-	-	-
Trade and Development Agency	-	-	-
<b>Title II - Bilateral Economic Assistance</b>			
USAID	-	-	-
Global HIV/AIDS Initiative	-	-	-
Other Bilateral Economic Assistance	65,064	51,756	48,156
Independent Agencies	-	-	-
Department of State	197,260	195,872	209,050
Department of Treasury	-	-	-
Conflict Response Fund	-	-	-
Millennium Challenge Account	-	-	-
<b>Title III - Military Assistance</b>			
International Military Education and Training	-	-	-
Foreign Military Financing	16,224	16,752	15,789
Peacekeeping Operations	-	-	-
<b>Title IV - Multilateral Economic Assistance</b>			
International Development Association	-	-	-
International Financial Institutions	-	-	-
International Organizations/Programs	-	-	-
<b>Total Foreign Operations</b>	<b>\$278,548</b>	<b>\$264,380</b>	<b>\$272,995</b>
<b>Grand Total</b>	<b>\$568,279</b>	<b>\$426,712</b>	<b>\$483,956</b>